

**TENNESSEE STATE BOARD OF EQUALIZATION**  
**BEFORE THE ADMINISTRATIVE JUDGE**

IN RE: William M. & Walton C. Akers )  
Map 145-05-0, Parcel 32.00 ) Davidson County  
Residential Property )  
Tax Year 2006 )

## INITIAL DECISION AND ORDER

## Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$165,000	\$983,200	\$1,148,200	\$287,050

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on January 25, 2007, in Nashville, Tennessee. In attendance at the hearing were Mrs. William Akers, the appellant who represented herself, and Jason Poling, Residential Appraiser for the Davidson County Assessor's Office.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of a single family residence constructed sometime around 1974 located at 1229 Vintage Place in Nashville, Tennessee.

The taxpayer contended that subject property should be valued at \$1,000,000. In support of this position, the taxpayer argued that the home was purchased in 2001 for \$965,000. Ms. Akers testified that she put in \$72,000 in repairs and renovations for the home. Mrs. Akers also stated that while they have in excess of 2 acres of property only approximately ½ acre is flat and useable. Mrs. Akers also stated that she believes the square footage that the county has for her home is incorrect.

The assessor contended that subject property should be valued at \$1,148,200 based on the presumption of correctness that attaches to the decision of the Davidson County Board of Equalization. That figure was supported by a paired data analysis using three (3) comparable sales data submitted as exhibit #2 from the county.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$1,148,200.

Since the taxpayer is appealing from the determination of the Davidson County Board of Equalization, the burden of proof is on the taxpayer. See State Board of



Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge finds that the fair market value of subject property as of June 1, 2006<sup>1</sup> constitutes the relevant issue. The administrative judge finds that the Assessment Appeals Commission has repeatedly rejected arguments based upon the amount by which an appraisal has increased as a consequence of reappraisal. For example, the Commission rejected such an argument in *E.B. Kissell, Jr.* (Shelby County, Tax Years 1991 and 1992) reasoning in pertinent part as follows:

The rate of increase in the assessment of the subject property since the last reappraisal or even last year may be alarming but is not evidence that the value is wrong. It is conceivable that values may change dramatically for some properties, even over so short of time as a year. . .

The best evidence of the present value of a residential property is generally sales of properties comparable to the subject, comparable in features relevant to value. Perfect comparability is not required, but relevant differences should be explained and accounted for by reasonable adjustments. If evidence of a sale is presented without the required analysis of comparability, it is difficult or impossible for us [*triers of fact*] to use the sale as an indicator of value. . . . Final Decision and Order at 2. Moreover, the Assessment Appeals Commission has ruled that taxes are irrelevant to the issue of value. See *John C. & Patricia A. Hume*, (Shelby Co., Tax Year 1991).

There are generally three (3) recognizable and acceptable approaches for the determination of market value; they are the cost approach, the sales comparison approach and the income approach. All there approaches to value are not always relevant or useful in the valuation of every property.<sup>2</sup> While Mrs. Akers submitted copies of five (5) ‘sales’ from Real Tracs Solutions, she did not perform any analysis on the comparable properties. She did not use any paired data analysis, the most acceptable approach for the determination of value for residential property, to substantiate her contention of value for her home. There are several noted differences between the various properties but no adjustments were made nor was an attempt made to explain how the differences may or may not affect the market values. Mrs. Akers failed to meet her burden of proof.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for (pro-rated) tax year 2006:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$165,000	\$983,200	\$1,148,200	\$287,050

<sup>1</sup> This was a pro-rated assessment by Davidson County.  
<sup>2</sup> *Property Assessment Valuation*, 2<sup>nd</sup> Ed., © 1996- International Association of Assessing Officers.



It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or

3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27<sup>th</sup> day of February, 2007.



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ANDREI ELLEN LEE  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

c: William M. & Walton C. Akers  
Jo Ann North, Assessor of Property